Richland County, South Carolina (2010)

Transportation Funding Initiative

Election Cycle: November 2010

Title: Special Sales and Use Tax—Ballot Referendum

Status: This ballot referendum was narrowly defeated by a 1.88% margin; the referendum lost by 2,168 votes out of a total voter turnout of 115,118. While 56,375 voters supported this referendum, 58,543 voters opposed it.

Background: Prior to the introduction of this proposal, the county invested $500,000 for the creation of a citizen-run commission to create a transportation funding plan. This Richland County Transportation Study Commission was made up of 39 members and was founded in 2006 by the Richland County Council. After meeting for over a year, the commission submitted a study that outlined the county’s deteriorating transportation infrastructure; the commission’s public meetings also discussed how local citizens were interested in improving the county’s bus system. After studying different transportation funding methods, the Richland County Transportation Study Commission determined that the sales tax would be the best way to address transportation issues at the county level.¹

Summary of Ballot Referendum

This plan would increase the county’s general sales tax from 7 cents-per-gallon to 8 cents-per-gallon, and it was expected to generate $1 billion over the next 25 years. This ballot referendum proposed a one-cent local option sales tax which would raise funds to support transportation. The “penny tax” would use the new revenues to decrease traffic and improve the roads in Richland County. According to proponents of the proposal, approximately over 40% of the revenue would be raised from people who live outside of Richland County, South Carolina. The proposed projects also include funding for sidewalks, bikeways, and greenways.²

$33.2 million of the revenues would be allocated for pedestrian projects in Columbia, where the population is growing and current sidewalks can be improved for outdoor purposes. $28.2 million would be designated for sidewalks, $20 million for bike paths, $7 million for greenways, and $3.1 million for crosswalk safety purposes.³

Overview

¹ “Bolton: In Defense of the Penny Transportation Tax”
² Hinshaw, 10/4/10
³ Hinshaw, 10/4/10
Transportation Sales Tax is Common in South Carolina

Although members of the Tea Party opposed the proposed sales tax increase in Richland County, the 8% sales tax was somewhat common in the state of South Carolina. For example, in 2010, 30% of the counties in South Carolina had an 8% sales tax, 54% had a 7% sales tax, and 13% had a 6% sales tax.\(^4\)

Economic Impact Report by Miley & Associates

This economic impact report was released during the campaign, and the data found that the penny tax would generate over 1,400 local jobs while also addressing the county’s deteriorating roads.\(^5\) The report also concluded that roughly 50% of the expected revenues would come from non-county residents.

Proponents:

“Say Yes 2 the Penny” Campaign— This was the main pro-referendum campaign in support of the transportation penny sales tax proposal.

- Influential Civic Leaders
- Greater Columbia Chamber of Commerce
- Political & Business Leaders
- Lawyer Ted Speth: “For those who say, ‘No, that shouldn’t happen,’ shame on them.”\(^6\)
- J.T. McLawhorn, Director of the Columbia Urban League
- Columbia Mayor Steve Benjamin: “If passed, this penny tax referendum would create $1.1 billion in total economic impact.”
- Chairman of the Richland County Council, Paul Livingston
- Chairman of the Richland 1 School Board, Vince Ford
- 6 members of the County Council: Joyce Dickerson, Damon Jeter, Jim Manning, Greg Pearce, Kit Smith, and Kelvin Washington
- Attorney Ken Driggers
- Director of the River Alliance, Mike Dawson

Opposition: Citizens Against the Tax Increase

Many of the members of the Citizens Against the Tax Increase are from the Northeast Richland suburban area. Arguments against this proposal include the poor timing of the sales tax increase and opponents accuse these proposed transportation projects of being ‘pork barrel’ projects. Don Weaver, who is one of the leaders of this organization, expressed his skepticism about the economic development potential of the proposed projects. He said, “How many paving companies are headquartered here in Richland County? You don’t just go down to Labor Savers on Millwood Avenue and say, “hey, guys, I want to pave a road…there may be some, but, with the bidding process, we may be sending this money to Florence County or Greenville County…or even out of state.”\(^7\)

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\(^4\) Moore, The Free Times, 10/25/10
\(^5\) Whitson & Speth, 10/24/10
\(^6\) Hinshaw, 9/24/10
\(^7\) Hinshaw, 10/12/10
Mr. Michael Letts, the chair of the Citizens Against the Tax Increase, said that this penny tax proposal “is reminiscent of Washington-style, pork barrel politics. There are good things in there, but it’s loaded up with nonessential projects as well.” Some opponents have argued that this would raise taxes and thus burden Richland County residents unfairly.

Other Opposition:

- Columbia Tea Party
- Richland County Council Members: Norman Jackson (Democrat); Bill Malinowski (R); Tommy Windsor (Vice Chair of Transit Board)
- FITS

Campaign Strategies and Tactics/ Campaign Advertising Materials

“Say Yes 2 The Penny” Campaign

This pro-referendum campaign delivered a central message about protecting the county’s ability to stay competitive and attract private sector development. The campaign also told voters that this referendum would help Richland County move forward. The campaign also focused on promoting a solid quality of life for citizens of Richland County. They made the argument that by improving transportation and infrastructure, the county would be better able to attract other industries to re-locate to Richland County. The campaign also highlighted the economic impact findings from Miley & Associates, which further advanced the campaign’s mission and objectives.

Lessons Learned

- 2010 Campaign Failures.

Critics argued that the 2010 proposal was “too confusing” and did not sufficiently outline how the proposed funds would be allocated for projects.

- Failure Leads to Success.

Despite the fact that this legislation failed in 2010, the penny tax proved to be successful in the 2012 election; the one cent sales tax passed in 2012 with 53% support and 47% opposition. The proposal is expected to generate $1.07 billion for the county, and the pro-referendum campaign was run by the Citizens for a Greater Midlands Group (made up of commerce and political figures). They focused the campaign on jobs, improving roads, and local authority over road projects.

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8 Hinshaw, 9/24/10
9 Whitson & Speth, 10/24/10
10 Bolton, 10/7/10
11 McConchie, 9/9/12
References


http://www.sayyes2thepenny.com/2010/10/


Penny tax debate highlights ‘trust’ as issue, The State, 10/23/2012

What penny sales tax gets Richland Co., The State, 10/21/2012

Midlands residents joust over proposed transportation tax, Midlands Connect, 9/19/2012

http://www.cfte.org/pages/richlandcounty2012

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